



Moody's Investors Service

Rating Update: **MOODY'S CHANGES IOWA FINANCE AUTHORITY ISSUER RATING TO STABLE FROM POSITIVE**

Global Credit Research - 28 Jul 2009

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Opinion

NEW YORK, Jul 28, 2009 -- Moody's Investors Service has changed the outlook on Iowa Finance Authority's Issuer Rating of Aa3 to stable from positive. The stable outlook was assigned by considering the stresses that the municipal markets have experienced over the past year, including failed remarketings of variable rate debt obligations. The Aa3 rating takes into consideration IFA's existing financial commitments, relative amount of variable rate demand obligations, and its ability to support all the liabilities backed by the general obligation pledge. The Aa3 general obligation rating is based solely on the Housing Agency Fund and does not include IFA's State Revolving Fund's (SRFs).

The last rating action was on May 1, 2008 when the Aa3 rating and a positive outlook were affirmed. The principal methodology used in rating the bonds was "Moody's Methodology for Assigning Issuer Ratings to Housing Finance Agencies", which can be found at www.moody's.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the rating process can also be found in the Credit Policy & Methodologies directory.

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